

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	<u>SUPERSEDING INDICTMENT</u>
	)	
Plaintiff,	)	CASE NO. 1:07CR319
	)	
v.	)	JUDGE JOHN R. ADAMS
	)	
LEON S. HEARD,	)	Title 15, United States Code, Sections 78j(b)
STEVEN I. HELFGOTT,	)	and 78ff, and Title 17, Code of Federal
DARRYL G. MOORE,	)	Regulations, Section 240.10(b)-5, and Title
ROBERT E. MCNAIR,	)	18, United States Code, Sections 371, 1343,
MARK C. OLDS,	)	1344, 1956(a)(1)(B)(i), 1956(h), 2314 and 2
AVIS D. SCOTT,	)	
CRAIG M. DUNCAN, and	)	
LEE A. GRANGER,	)	
	)	
Defendants.	)	

COUNT 1  
(Conspiracy)

The Grand Jury charges:

THE DEFENDANTS

1. At all times material herein, the defendant, DARRYL G. MOORE, resided in Cleveland, Ohio, was not registered with the United States Securities and Exchange Commission (hereinafter "SEC") and the State of Ohio, and was not licensed to sell securities.

2. At all times material herein, the defendant, LEON S. HEARD, resided in Cleveland Heights, Ohio, and later resided in Richmond Heights, Ohio, was not registered with the SEC and the State of Ohio, and was not licensed to sell securities

3. At all times material herein, the defendants, LEON S. HEARD and DARRYL G. MOORE, were business associates and partners in Alice's International Salon and Spa, a beauty salon, located in Cleveland, Ohio, and were co-signers on common bank accounts in the names of various entities, including but not limited to, D-MO Investors, LLC. The defendants, LEON S. HEARD and DARRYL G. MOORE, also controlled and shared in the proceeds of another bank account through another individual, as discussed below.

4. At all times material herein, the defendant, STEVEN I. HELFGOTT, resided in Cleveland Heights, Ohio, was licensed to practice law in Ohio but was not registered with the SEC and the State of Ohio, and was not licensed to sell securities. The defendant, STEVEN I. HELFGOTT, did open and operate a bank account in the name of The D-MO Group, Inc., c/o STEVEN I. HELFGOTT. The defendant, HELFGOTT deposited and caused to be deposited, proceeds for the sale of securities and investments, via wire transfer, into this account. From this account HELFGOTT paid the defendants, HEARD and MOORE, their expenses, as well as paid himself and make so-called "interest" payments to various investors.

#### THE CONSPIRACY

5. From in or about June 1999 through at least May 30, 2002, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, and others known and unknown to the Grand Jury, unlawfully, willfully, and knowingly, did

combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit: to commit (a) mail fraud, in violation of Title 18, United States Code, Section 1341; (b) wire fraud, in violation of Title 18, United States Code, Section 1343; and (c) securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10(b)-5.

Manner and Means

6. Among the means and methods by which the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, and others known and unknown to the Grand Jury, would and did carry out the conspiracy were the following:

a. The defendants, LEON S. HEARD and DARRYL G. MOORE, solicited investors to purchase securities, and other investments, in purportedly exclusive investments, such as so-called "medium term notes," offshore investments with a Swiss bank, or currency trading, when, in fact, as the defendants well knew, there were no such investments.

b. The defendants, LEON S. HEARD and DARRYL G. MOORE, falsely promised investors that they would earn a high rate of return on their principal, in many cases as high as 10 percent per month, and that they would receive monthly interest payments reflecting that rate of return on their investments.

c. The defendants, LEON S. HEARD and DARRYL G. MOORE, also falsely led investors to believe that their investment was safe and secure, when, in fact, the defendants converted these funds to their own use, and the use of others, without making any investments.

d. The defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, paid some investors purported “interest” payments for a period of time so as to give the false impression that there were actual investments, when, in truth and fact, as the defendants well knew, any “interest” payments came from other investors’ funds as part of a classic “Ponzi” scheme. A “Ponzi” scheme is where one set of investors’ funds are used to pay supposed “interest” payments to other investors to encourage others to invest, or re-invest, and to keep investors from realizing that there are no investments and that they have been defrauded.

e. The defendants, LEON S. HEARD and DARRYL G. MOORE, when it was necessary to add “legitimacy” to their fraudulent investments, at the outset of the scheme, also represented to a few investors that their money would go to a “hot shot broker” named “Steve” for investment. The defendants, LEON S. HEARD and DARRYL G. MOORE, told one investor that “Steve” worked for Merrill Lynch. Steven Thorn, discussed below, was the step-son of defendant HEARD, was a business associate of MOORE, and was a former licensed broker dismissed by Merrill Lynch. The “investments” that the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, were selling investments similar to the ones which Thorn was selling in his own scheme.

f. The defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, collected and deposited a few investors’ funds and forwarded these funds to Steve Thorn for his own personal use instead of supposedly investing in Thorn’s “investments”; even after the SEC filed an action with the United States District Court for the Southern District of Ohio and after the Court ordered all of Thorn’s bank accounts frozen, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, continued

to funnel some investors' funds to Thorn so that Thorn could pay his expenses.

g. During the SEC case, the defendant, STEVEN I. HELFGOTT, represented the defendant, LEON S. HEARD, and attended hearings during the SEC case, knowing full well the allegations of the SEC and the ultimate finding of the Court that Thorn was committing securities fraud in selling fictitious securities as part of a "Ponzi" scheme, causing the loss of several million dollars to hundreds of investors.

h. The defendants, LEON S. HEARD and DARRYL G. MOORE, following the Court's freeze order, continued to sell "securities" or "investments" that were the same as Thorn's investments and continued to lull investors who had not received their promised return of either principal or investment, without disclosing the SEC's complaint or the Court's Order, granting summary judgement in favor of the SEC, finding such investments to be fictitious and fraudulent as part of a "Ponzi" scheme.

i. The defendants, LEON S. HEARD and DARRYL G. MOORE, when questioned by investors about why they did not receive a return on their investments, or why their returns stopped, would lull the investors into a false sense of security by lying to them, and telling them such things as: 1.) their "investments" were still good and that payments would be forthcoming; or 2.) the government was holding their money and that they would be paid when the government released those funds. At no time did the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, tell investors that there were no investments and that their money was gone.

j. The defendant, STEVEN I. HELFGOTT, operated an account in the name of the D-MO Group at Key Bank. The defendant, HELFGOTT, used that account to deposit

investor checks and to disburse funds from that account to other investors as purported “interest” payments. The defendant, HELFGOTT, also signed checks payable to D-MO Investments, Inc., for the benefit of the defendants HEARD and MOORE.

k. The defendant, STEVEN I. HELFGOTT, from October 2001, through April 2002, accepted three wire transfers from an investor, totaling \$525,000. The defendant, STEVEN I. HELFGOTT, used those funds to pay other investors their “interest” payments. On April 19, 2002, the defendant HELFGOTT, received \$100,000 from an investor and deposited those funds in the D-MO Group account at Key Bank. On May 30, 2002, the defendant, STEVEN I. HELFGOTT, authorized a \$25,000 wire transfer from that account to the account of D-MO Investments, for the benefit of the defendants HEARD and MOORE.

l. The defendant, STEVEN I. HELFGOTT, prepared, and the defendants, LEON S. HEARD and DARRYL G. MOORE, provided promissory notes to some investors, usually subsequent to their investments, to assure investors that their investments were guaranteed and safe and that they would be receiving a high rate of return, as high as 10 percent per month. In some cases, these promissory notes were also provided to investors to make it appear that the defendants were not selling securities, as none of the defendants were licensed to do so, but were receiving “loans” instead of investment funds.

#### Overt Acts

7. In furtherance of the conspiracy and to effect its unlawful objects, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, and others known and unknown to the Grand Jury, committed the following overt acts, among others, in the Northern District of Ohio, Eastern Division, and elsewhere:

a. From October 2001, through April 2002, the defendant, STEVEN I. HELFGOTT, accepted three wire transfers from an investor, totaling \$525,000. The defendant, HELFGOTT, used those funds to pay other investors their “interest” payments.

b. On April 19, 2002, the defendant, STEVEN I. HELFGOTT, received \$100,000 from an investor and deposited those funds in the D-MO Group account at Key Bank.

c. On May 30, 2002, the defendant, STEVEN I. HELFGOTT, authorized a \$25,000 wire transfer from the D-MO Group account at Key Bank to the account of D-MO Investments.

d. In or about May 2007, the defendant, DARRYL G. MOORE, promised an investor that his investment was still good, that his money was tied up with the court and that he would receive his money when it was released.

All in violation of Title 18, United States Code, Section 371.

COUNT 2  
(Securities Fraud)

The Grand Jury further charges:

1. The allegations contained in paragraphs 1 through 4 and 6 through 7 of Count 1 are incorporated and realleged as if fully set forth herein.

2. In or about 1999 through at least May 30, 2002, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division and elsewhere, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, and others known and unknown, unlawfully, willfully, and knowingly, by the use of the means and instrumentalities of interstate commerce and of the mails, directly and indirectly, would and did use and employ, in connection with the purchase and sale of securities, as described in Count 1, manipulative and

deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud upon investors, in connection with the purchase and sale of these securities.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.

COUNT 3  
(Wire Fraud)

The Grand Jury further charges:

1. The allegations contained in paragraphs 1 through 4 and 6 through 7 of Count 1 are repeated and realleged as if fully set forth herein.
2. From in or about June 1999 through at least May 30, 2002, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, and others known and unknown to the Grand Jury, knowingly devised, and intended to devise, a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises from individuals enticed to invest their money in so-called investments, as described in Count 1, and to send money to the defendants, and others.
3. On or about May 30, 2002, in the Northern District of Ohio, Eastern Division, and



elsewhere, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, for the purpose of executing and attempting to execute said scheme and artifice, transmitted and caused to be transmitted, by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, to wit, a bank wire transfer in the amount of \$25,000 from the D-MO Group account at Key Bank to the D-MO Investors, LLC account.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT 4  
(Money Laundering)

The Grand Jury further charges:

1. The allegations contained in paragraphs 1 through 4 and 6 through 7 of Count 1 are repeated and realleged as if fully set forth herein
- 2 On or about May 30, 2002, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, did knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce which involved the proceeds of a specified unlawful activity, that is, securities fraud and wire fraud, knowing that the transaction was designed in whole or in part to conceal and disguise, the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is funds and monetary instruments, represented the proceeds of some form of unlawful activity, to wit: defendant HELFGOTT wire transferred \$25,000 from the account of The D-MO Group, Inc., c/o STEVEN I. HELFGOTT to the account of D-MO Investors, LLC.; the defendants, HEARD and

MOORE, then issued, and caused to be issued, checks from the D-MO Investors, LLC account to themselves and others.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

COUNT 5  
(Conspiracy to Commit Money Laundering)

The Grand Jury further charges:

1. The allegations contained in paragraphs 1 through 4 and 6 through 7 of Count 1 are repeated and realleged as if fully set forth herein.
2. From in or about June 1999 to at least May 30, 2002, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, LEON S. HEARD, STEVEN I. HELFGOTT, and DARRYL G. MOORE, and others, known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree to commit the following offense against the United States:
  - a. To knowingly conduct and attempt to conduct financial transactions affecting interstate commerce which involved the proceeds of a specified unlawful activity, to wit, mail fraud, wire fraud, and securities fraud, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i).
3. The method and means of the conspiracy are as set forth in paragraphs 1 through 4 and 6 through 7 of Count 1 of this Indictment, realleged and incorporated herein as if fully set forth.

All in violation of Title 18, United States Code, Section 1956(h).

COUNT 6  
(Conspiracy to Commit Mortgage Fraud)

The Grand Jury further charges:

1. The allegations contained in paragraphs 1 through 4 of Count 1 are repeated and realleged as if fully set forth herein.
2. At all times material herein, the defendant, DARRYL G. MOORE, owned Lemor Group, LLC (Lemor) with another business partner; Lemor was started as a company doing rehabilitation construction work.
3. At all times material herein, the defendant, ROBERT E. MCNAIR, was a mortgage broker at Global Mortgage Company, located at 5311 Northfield Road, Bedford Heights, Ohio. As part of his work, the defendant, ROBERT E. MCNAIR, prepared the necessary paperwork to qualify his client for a mortgage loan and sought out a lender to make the loan. A title company would often act as escrow agent for real estate and mortgage loan transactions.
4. At all times material herein, the defendant, MARK C. OLDS, resided in Solon, Ohio, and owned and controlled MCO Development, LLC (MCO).
5. At all times material herein, the defendant, AVIS D. SCOTT, resided in Beachwood, Ohio, was employed as a real estate agent by Realty One, in Pepper Pike, Ohio and by the Cuyahoga County Auditor's Office.
6. At all times material herein, the defendant, CRAIG M. DUNCAN, resided in East Cleveland, Ohio, and was employed by the Cuyahoga County Auditor's Office.
7. At all times material herein, the defendant, LEE A. GRANGER, resided in Columbus, Ohio, and had little in the way of income or assets.

8. At all times material herein, the defendant, LEON S. HEARD, was a disbarred attorney and therefore not licensed to practice law, including the preparation of deeds.

9. From in or about June 2006, through the present, the exact dates being unknown to the Grand Jury, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, DARRYL MOORE, ROBERT E. MCNAIR, MARK C. OLDS, LEE A. GRANGER, AVIS D. SCOTT, LEON S. HEARD, and CRAIG M. DUNCAN, and others known and unknown to the Grand Jury, unlawfully, willfully, and knowingly, did combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit: to commit (a) mail fraud, in violation of Title 18, United States Code, Section 1341; and (b) wire fraud, in violation of Title 18, United States Code, Section 1343.

#### Objects of the Conspiracy

10. The objects of the conspiracy were a) to allow the defendant, DARRYL G. MOORE, who had poor credit, to move from his residence at 6235 Arbor Glen, Solon, Ohio, which was in foreclosure, to a more expensive residence at 6990 Woodlands Lane, Solon, Ohio; b) to allow the defendant, MARK C. OLDS, who had poor credit, to obtain an interest in the 6235 Arbor Glen property through a nominee; and c) to enrich the defendants, and their friends and associates.

#### Manner and Means

11. The defendant, DARRYL G. MOORE, in an effort to move out of his residence at 6235 Arbor Glen, Solon, Ohio, which was in foreclosure, and to move to a more expensive home located at 6990 Woodlands Lane, Solon, Ohio, sought out a “straw buyer” with good credit, to purchase his Arbor Glen residence, without listing that residence with a realtor or advertising it

so as not to raise any questions about the purported sale of the Arbor Glen residence.

12. In order to prevent the filing of additional liens against the Arbor Glen property, the defendants, DARRYL G. MOORE and LEON S. HEARD, prepared and filed, and caused to be prepared and filed, a deed to the Arbor Glen property which purported to transfer title to this property to a third party, namely the girl friend of the defendant, DARRYL G. MOORE. The defendant, LEON S. HEARD, prepared this deed even though he was a disbarred attorney and not licensed to practice law, falsely stating on the deed that it was prepared by "Leon S. Heard, Esq."

13. The defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT, and MARK C. OLDS, arranged to bring in the defendant, LEE A. GRANGER, as a straw buyer to purportedly purchase the Arbor Glen property; the defendant, GRANGER, had good credit but little in the way of assets or income.

14. The defendant, MARK C. OLDS, approached the defendant, LEE A. GRANGER, and offered to pay GRANGER \$20,000 to complete the paperwork to purchase the Arbor Glen property. The defendant, MARK C. OLDS, told the defendant, LEE A. GRANGER, that OLDS would pay GRANGER \$14,000 cash plus \$500 per month, and that OLDS would make the monthly payments on the mortgage even though the property was in the name of the defendant, LEE A. GRANGER.

15. The defendant, DARRYL G. MOORE, set the sale price of the Arbor Glen property at \$545,000 so as to cover his mortgage and to take additional money from this transaction. The buyer of this property financed the entire purchase price. In order to qualify for a 100 percent loan, and in order to finance that entire amount, the defendants, DARRYL G.

MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT, LEE A. GRANGER and MARK C. OLDS, falsified information as to the defendant, LEE A. GRANGER's employment, income, and assets. The defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT, LEE A. GRANGER and MARK C. OLDS prepared, and caused to be prepared, loan documents which falsely stated that the defendant, LEE A. GRANGER, was employed at one of defendant OLDS' companies with an income of \$9,800 per month. In truth and fact, as the defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT, LEE A. GRANGER and MARK C. OLDS, well knew, the defendant, LEE A. GRANGER, was not so employed at that wage, and, in fact, worked in a donut shop in Columbus, Ohio, and made approximately \$16,000 to \$17,000 per year.

16. At the request of the defendants, ROBERT E. MCNAIR and MARK C. OLDS, the defendant, LEE A. GRANGER, mailed and emailed to defendant MCNAIR two months of bank statements reflecting balances GRANGER had in his bank account. These bank statements were then altered to falsely show more funds than GRANGER actually had on deposit.

17. In order to obtain 100 percent financing of the \$545,000 purchase price, two loan applications were completed, both with the same false income and employment information. Once these fraudulent documents were prepared, the defendant, ROBERT E. MCNAIR, submitted them to the same lender.

18. When the lending company checked the employment information of the defendant, LEE A. GRANGER, it called the listed telephone number of GRANGER's purported employer, which was, in fact, the defendant MARK C. OLDS' phone number, and defendant OLDS falsely confirmed the employment listed on the loan document.

19. The lending company approved the defendant, LEE A. GRANGER's, mortgage loans in the amount of \$436,000 and \$109,000, for a total of \$545,000. In August 2006, the lending company wire transferred these funds, along with additional funds related to this transaction, in two separate wire transfers from its bank in New York, New York, to the title company's account at National City Bank in Cleveland, Ohio.

20. When the loan was approved in the defendant, LEE A. GRANGER's name, the defendants MOORE and OLDS paid, and caused to be paid, to the defendant, LEE A. GRANGER, approximately \$16,000 in various payments for completing this paperwork. Some of these payments were sent through the U.S. Mail. Even though the defendant, LEE A. GRANGER, purchased the Arbor Glen residence, he never lived in the house, and said property remains vacant as of the date of this indictment.

21. With the assistance of the defendant, AVIS D. SCOTT, and simultaneous to the sale of the Arbor Glen property, the defendant, DARRYL G. MOORE, sought to purchase a more expensive residence at 6990 Woodlands Lane, Solon, Ohio. The defendant, DARRYL G. MOORE, offered to pay \$725,000 for this property, well above the previously listed prices of \$699,000, later reduced to \$679,900, and finally reduced to \$647,500, so as to take additional money from this transaction when defendant MOORE was able to finance the purchase price.

22. Because the defendant, DARRYL G. MOORE, had a poor credit history, the defendants MOORE and AVIS D. SCOTT sought out a "straw buyer" with good credit to purchase this property for the defendant MOORE. The defendants, DARRYL G. MOORE and AVIS D. SCOTT, brought in a person MOORE referred to as his "Uncle," the defendant, CRAIG M. DUNCAN, to the offices of the defendant, ROBERT E. MCNAIR, so that defendant

DUNCAN could secure a loan for 100 percent value of the property.

23. The defendants, DARRYL G. MOORE, AVIS D. SCOTT and ROBERT E. MCNAIR, falsified, and caused to be falsified, loan documents to reflect that the defendant, CRAIG M. DUNCAN, made \$15,000 per month and that he had held his job for 20 years, when, in truth and fact, as the defendants, MOORE, MCNAIR and DUNCAN, all knew, defendant DUNCAN made approximately \$30,000 to \$40,000 per year and had held his job for 8 years.

24. At the request of the defendants, MOORE and MCNAIR, the defendant, DUNCAN, provided copies of his bank statements to the defendant, MCNAIR. These statements were altered to falsely show more funds in the bank account of the defendant, DUNCAN, than he actually had on deposit.

25. In order to obtain 100 percent financing, the defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT and CRAIG M. DUNCAN, had to complete, and caused to be completed, two loan applications and paperwork where the same false information as to defendant DUNCAN's employment was provided. The defendant, ROBERT E. MCNAIR, then submitted these applications to the same lender.

26. The lending company approved defendant DUNCAN's loans in the amount of \$580,000 and \$145,000, for a total of \$725,000. The lending company then wire transferred these funds, along with additional funds, in two separate wire transfers in these amounts from its bank in New York, New York, to the title company's bank account at National City Bank in Cleveland, Ohio.

27. Once the loan was approved, the defendant, DARRYL G. MOORE, caused to be paid to the defendant, CRAIG M. DUNCAN, approximately \$15,000 for completing the



paperwork.

28. At no time did the defendant, CRAIG M. DUNCAN, ever live in the residence at 6990 Woodlands Lane, Solon, Ohio, which, in fact, became the residence of the defendant, DARRYL G. MOORE.

29. On or about August 4, 2006, at the instruction of the defendant, DARRYL G. MOORE, the title company issued a check for \$75,000 from the proceeds of the Woodlands Lane mortgage loan funds, to the Lemor Group, LLC, (Lemor) a company owned by the defendant, DARRYL G. MOORE, along with a business partner.

30. On or about August 4, 2006, the defendant, DARRYL G. MOORE, instructed his Lemor business partner to write a check for \$69,500 out of the Lemor bank account, against the proceeds of the above mentioned \$75,000 check. The defendant, MOORE, instructed his business partner to make this \$69,500 check. payable to MCO Development, LLC, a company owned and controlled by the defendant, MARK C. OLDS. The defendant, MOORE, also instructed his business partner to pay the defendant MOORE \$5,000 from these proceeds.

31. On or about August 15, 2006, the defendant, DARRYL G. MOORE, requested that his Lemor business partner issue a check from the business partner's own account to MCO Development, LLC, in the amount of \$30,000. The defendant, OLDS, then used and caused to be used those funds to make payments on the Arbor Glen property.

32. The defendant, DARRYL G. MOORE, was able to use the additional funds he drew out of the sale of his Arbor Glen property to make the mortgage loan payments on the mortgage loan on his current Woodlands Lane property.

33. As the result of the inflated and fraudulent purchase prices for the Arbor Glen and

Woodland Lane properties, the defendants, AVIS D. SCOTT and ROBERT E. MCNAIR, were paid much higher commissions since their commissions were based, respectively, on a percentage of the amount of the purchase price and the approved loan amounts.

Overt Acts

34. In furtherance of the conspiracy and to effect its unlawful objects, the defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, MARK C. OLDS, AVIS D. SCOTT, LEE A. GRANGER and CRAIG M. DUNCAN, and others known and unknown to the Grand Jury, committed the following overt acts, among others, in the Northern District of Ohio, Eastern Division, and elsewhere:

a. Paragraphs 11 through 33 of this Count are incorporated herein as if each was listed as a separate overt act.

b. On or about August 31, 2006, the defendant MOORE paid the defendant, CRAIG M. DUNCAN, approximately \$15,000.

c. On or about August 2006, the exact dated being unknown to the Grand Jury, the defendant OLDS paid the defendant, GRANGER \$14,000.

d. On or about August 4, 2006, the defendant MOORE instructed his Lemor business partner to write a check for \$69,500 out of the Lemor account.

All in violation of Title 18, United States Code, Section 371.

COUNTS 7 - 8  
(Wire Fraud)

The Grand Jury further charges:

1. The government re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 8 and 10 through 34 of Count 6 as if fully set forth herein.

2. From in or about June 2006 through the present, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, MARK C. OLDS, AVIS D. SCOTT, LEE A. GRANGER, and CRAIG M. DUNCAN, knowingly devised, and intended to devise, a scheme and artifice to defraud and to obtain money by means of false and fraudulent pretenses, representations, and promises, as set forth in Count 6 above, and, in execution of said scheme and artifice to defraud, did cause to be transmitted by means of wire and radio communication in interstate commerce any writings, signs, signals, and pictures, for the purpose of executing such scheme and artifice, as described below:

<u>Count</u>	<u>Date</u>	<u>Wire</u>	<u>Sender</u>	<u>Sent to</u>
7	08/03/2006	Two bank wire transfers in the amounts of \$588,124.48 and \$145,069.52	Bank of New York located in New York, New York	National City Bank, located in Cleveland, Ohio
8	08/08/2006	Four bank wire transfers in the amounts of \$441,731.32 and \$104,776.25;	Bank of New York located in New York, New York	National City Bank, located in Cleveland, Ohio
	08/10/2006	\$94.07; and		
	08/11/2006	\$4,223.75		

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT 9

(Interstate Transportation of Stolen Property)

The Grand Jury further charges:

1. The government re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 8 and 10 through 34 of Count 6 as if fully set forth herein.

2. On or about August 8, 2006, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT, MARK C. OLDS, and LEE A. GRANGER did knowingly transport, transmit, and

transfer, and caused to be transported, transmitted, and transferred, in interstate commerce, four bank wire transfers in the approximate amounts of \$441,731.32, \$104,776.25, \$94.07 and \$4,223.75 to be sent from a bank in New York, New York, to a bank in Cleveland, Ohio, knowing the same to have been stolen, converted, and taken by fraud.

All in violation of Title 18, United States Code, Sections 2314 and 2.

COUNT 10  
(Interstate Transportation of Stolen Property)

The Grand Jury further charges:

1. The government re-alleges and incorporates by reference the allegations contained in paragraphs 1 through 8 and 10 through 34 of Count 6 as if fully set forth herein.

2. On or about August 3, 2006, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, DARRYL G. MOORE, ROBERT E. MCNAIR, AVIS D. SCOTT and CRAIG M. DUNCAN, did knowingly transport, transmit, and transfer, and cause to be transported, transmitted, and transferred, in interstate commerce, two bank wire transfers in the approximate amounts of \$588,124.48 and \$145,069.52 to be sent from a bank in New York, New York, to a bank in Cleveland, Ohio, knowing the same to have been stolen, converted, and taken by fraud.

All in violation of Title 18, United States Code, Sections 2314 and 2.

COUNT 11  
(Bank Fraud as the defendant, LEON S. HEARD)

The Grand Jury further charges:

1 At all times material herein, the defendant, LEON S. HEARD, was seeking to obtain and did obtain a mortgage loan to purchase his residence at 5214 Dickens Drive,

Richmond Heights, Ohio, and failed to make his loan payments such that his loan became delinquent and the property was subsequently foreclosed upon.

2. At all times material herein, U.S. Bank National Association was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation.

3. From on or about March 2001 through the present, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendant, LEON S. HEARD, did knowingly execute and attempt to execute a scheme and artifice to defraud U.S. Bank National Association and to obtain monies, funds, credits, assets and other property owned by and under the custody and control of said financial institution, by means of false and fraudulent pretenses, representations, and promises.

4. It was part of the scheme and artifice to defraud, and attempted execution thereof, that, on or about March 29, 2001, the defendant, LEON S. HEARD, applied for a mortgage loan with NCS Lending in the amount of \$225,000, and falsely stated that he made \$6,073 per month from his employment at Alice's International Salon, supported by false wage statements and that he had assets which included \$40,000 in his bank account at Key Bank, Cleveland, Ohio, when, in fact, the defendant, HEARD, never made that much in earnings and did not have that much in funds in his Key Bank account. The defendant, LEON S. HEARD, also fraudulently stated that he would be providing \$31,378 toward the purchase price of this home without disclosing that these funds would be derived from the participation of the defendant, LEON S. HEARD, in the fraudulent scheme set forth in Count 1 of this indictment.

5. It was part of the scheme and artifice to defraud, and attempted execution thereof, that, on or about March 29, 2001, the defendant, LEON S. HEARD, became aware that the

lending company was doing a deposit verification with Key Bank, and transferred \$50,000 in funds from a D-Mo Investments account at Dollar Bank for just long enough so that the verification reflected a balance in his personal account of \$52,668.26, and then transferred those funds back to the D-Mo Investments account. In 2002, this loan was transferred to the U.S. Bank National Association.

6. It was part of the scheme and artifice to defraud, and attempted execution thereof, that, on or about January 2003, after this fraudulent loan fell into arrears, the defendant, HEARD, had to complete a financial information statement in order to modify the terms of this loan. The defendant HEARD provided false financial information indicating that he made wages of \$7,200 per month and provided false wage statements.

7. On or about November 21, 2002, U.S. Bank National Association filed for foreclosure in Cuyahoga County, Ohio. In execution of this scheme and artifice to defraud, and attempted execution thereof, despite this foreclosure action, the defendant, HEARD, has been able to live in this residence to the present.

8. In execution of this scheme and artifice to defraud, and attempted execution thereof, on or about May, 17, 2007, the defendant, LEON S. HEARD, filed for bankruptcy.

All in violation of Title 18, United States Code, Sections 1344 and 2.

A TRUE BILL.

United States v. Leon S. Heard, et al.

A TRUE BILL.

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FOREPERSON

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GREGORY A. WHITE  
UNITED STATES ATTORNEY